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SUBJECT: FAYYAD TO DONORS: ISRAEL "GROSSLY UNDERMINING" PA
EFFORTS

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

¶1. (SBU) Summary. PM Fayyad used the final Ramallah gathering of donors before the May 2 AHLC meeting to argue that the GOI has not met its commitments to improve access and movement in the West Bank. At the same time, he said, the IDF's continued security operations undermine his efforts to deploy PA security forces (PASF) to improve law and order in the West Bank. Fayyad condemned Hamas' recent terror attacks on the Gaza crossing points and said the situation would be reversed only by re-opening the crossings under PA control. End Summary.

GOI has "not shown up"

¶2. (SBU) On April 24, Palestinian Authority (PA) Prime Minister Salam Fayyad told donor representatives in Ramallah that the upcoming Ad Hoc Liaison Committee (AHLC) needs to address Israel's "failure" meet the commitments it made at last September's AHLC in New York. Where the PA and the donor community had "by and large" met their obligations to undertake meaningful fiscal reform and provide substantial budget assistance, respectively, the GOI, he said, had done "nothing to little" to ease access and movement in the West Bank.

¶3. (SBU) Fayyad said that the effort started in New York, Annapolis and Paris "has three legs, and cannot stand on two alone." He said that in this "tripartite framework of accountability," increased donor funding in 2008 is substituting for private sector-led growth that can only occur with fewer restrictions on access and movement. Fayyad said the GOI is "the one party that has not shown up." "This point should be made at the AHLC," he urged.

¶4. (SBU) Fayyad told donors that the recent GOI removal of roadblocks was "insignificant" and took place "mostly on backroads." The impact of the removal for Palestinians, he said, "did not come close" to the publicity surrounding the announcement. Fayyad explained that he is frustrated by the PA's inability to make any progress on movement and access issues with the GOI. "So we will talk about other things," he said. The PA's priorities, he told donors, are to address Israel's "noncompliance" with its Roadmap commitments on settlements and security issues, including the situation in Gaza.

IDF Raids in the West Bank

Undermine PA Credibility

15. (SBU) Fayyad said that the GOI's security actions in the West Bank "grossly undermine" the PA's efforts to improve security. IDF raids, he claimed, undermine the credibility of PA security services in the eyes of Palestinians and, if continued, will prevent the PA from fully assuming its security responsibilities.

Opening the crossings only way
to break Gaza's cycle of violence

16. (SBU) Fayyad also told donors that the PA intended to use the AHLC to advance its proposal to re-open Gaza crossings. He condemned Hamas, recent attacks on the Nahal Oz and Kerem Shalom crossing points "in the strongest terms." He suggested that the international community needs to give Gazans "something to lose" in order to break out of the "negative dynamic." The only thing that will work, he claimed, is to re-open the crossing points under PA control.

Comment

17. (C) In closing, Fayyad told donors that he had "a very negative assessment" on the status of negotiations and on the prospects for implementation of the Roadmap. "I increasingly see us as in a corner," he said. Following this bleak assessment, the informal reaction among donors and international organization representatives who were in Fayyad's audience was that the AHLC should be used to press Israel on both access and movement and Gaza.

WALLES